

Kotak

CHILD EDU PLAN

An anticipated endowment child benefit assurance plan



**Har sapne ko karo pura,
regular payouts ki guarantee ke saath!**



A JOINT VENTURE WITH  OLD MUTUAL

Faidey ka insurance



Key Advantages

- Fulfill your child's aspirations through Edu Boosters and Bonuses
- Protect your child's future through life insurance cover
- Ensure certainty of the benefits even on accidental disability
- Enhance protective cover through optional riders



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KOTAK CHILD EDU PLAN

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Your child's future is a priority and you would like to give your child the best. As a parent you strive to fulfill your child's aspirations. This requires careful thought and planning. Education is the most important factor in building a child's future and at the same time it also makes up a major part of your expenses. Costs of schooling, college education and professional courses are increasing day by day. Thus, it is important that you start saving today to ensure a bright tomorrow for your child.

Keeping this objective in mind, Kotak Life Insurance presents Kotak Child Edu Plan. This is a limited premium 'with profits' plan with guaranteed payouts in form of Edu Boosters¹. We provide life cover for the entire policy term thereby protecting your family, in case of an unfortunate event.

How Does the Plan Work?

Fulfill your child's aspirations through Edu Boosters and bonuses

Kotak Child Edu Plan provides financial support to the child to pursue his/her education without any worries. Edu Boosters will be paid on the policy anniversary after the child attains important ages, as described below:

At age 15: Learning Time: Your child would be keen to add to his / her skills either through a computer course or may be interested in preparing for some entrance exams for a technical or professional course. This would mean slightly higher expenses for you. We understand this and thus 15% of the Sum Assured will be paid to help you meet these expenses.

At age 17: Time for Higher Education: Whether it's college or a vocational/professional course, when it comes to education there can be no compromise on quality. Therefore, to help you get the best for your child 20% of the Sum Assured will be paid.

At age 19: Additional Needs: At this stage, your child may require various things apart from college fees to facilitate his/her education. It may be a laptop, engineering instruments, specific books, etc. To ensure that these expenses do not become a burden, 30% of the Sum Assured will be paid to help you provide the best for the child.

At age 21: Financial Independence: At this age after finishing education, your child would be well equipped intellectually and professionally to lead a financially independent life. To help your child choose a career without any financial worries, 60% of the Sum Assured will be paid. This may be used by your child to start up his/her own venture or to provide for any expenses till the time your child secures a job.

Maturity Benefit includes bonuses:

In addition to the last Edu Booster, at the end of the policy term, accrued Reversionary Bonus and Terminal Bonus (if any) will be payable.

Total benefits of 125% of Sum Assured, plus bonuses!

Protect your child's future through life insurance cover

Death Benefit²

Kotak Child Edu Plan ensures that your child gets all the benefits as planned by you. In the event of your unfortunate demise, this plan will support your child with the following benefits:

- 200% of Sum Assured paid immediately
- Future premium payment obligation ceases and policy continues as planned
- The Edu Boosters will be paid as scheduled
- Accrued Reversionary Bonuses (if any) will be paid at maturity
- Future reversionary bonuses(if any) and Terminal Bonus (if any) shall also be paid at maturity

Ensure certainty of the benefits even on accidental disability

Benefit on accidental disability¹³

In the event of disability due to accident, the following benefits will be applicable to take care of the financial requirements:

- Future premium payment obligation ceases and policy continues as planned
- The Edu Boosters will be paid as scheduled
- Accrued Reversionary Bonuses will be paid at maturity
- Future reversionary bonuses(if any) and Terminal Bonus (if any) shall also be paid at maturity

Death Benefit after accidental disability:

In case of your unfortunate demise during the policy term after the benefits on accidental disability have been availed, this plan will support your child with the following additional benefits:

- 200% of Sum Assured paid immediately
- Policy continues for the original policy term

Enhance protective cover through optional riders

The plan offers following rider benefits to help you customize the level of protection:

- Kotak Term Benefit (KTB)/Kotak Preferred Term Benefit (KPTB) - Lump sum Benefit paid on death
- Kotak Accidental Death Benefit (ADB) - Lump sum Benefit paid on accidental death
- Kotak Permanent Disability Benefit (PDB) - Installments paid on being permanently disabled as a result of an accident

For detailed information on riders please read the rider brochure.

Tax Benefit

You may avail of tax benefits under Section 80C and Section 10 (10D) of Income Tax Act, 1961 subject to conditions as specified in those sections. Tax benefits are subject to change as per tax laws. You are advised to consult your Tax Advisor for details.

Additional Features

Additional Features	Benefit
High Sum Assured Discount	If you opt to take a large Sum Assured you can benefit from High Sum Assured Discount. For Sum Assured equal to ₹5,00,000 or more, a premium discount of ₹2 per ₹1000 Basic Sum Assured shall be applicable.
Reduced Paid-Up Benefit ²	After 3 years' premiums have been paid, if the subsequent premiums are not paid within the grace period, the policy will automatically be made paid-up to ensure that you continue to enjoy policy benefits. Future benefits will be based on the Reduced Paid-Up Sum Assured.
Convenient premium payment modes	Pay your premiums annually, half-yearly, quarterly or monthly mode.

Eligibility

This plan can be purchased by the Parent / Grand Parent of the child or individuals who want to protect the child's future e.g. Child's uncle / aunt etc.

Life Insured (same as Policyholder)	Generally Parent/ Grandparent of the child (or other suitable relative)
Entry Age	Minimum : Child- 0 years ; Life Insured-18 years Maximum : Child- 10 years ; Life Insured- 64 years
Maturity Age	Minimum : Child- 21 years; Life Insured- 29 years Maximum : Child- 21 years; Life Insured- 75 years
Policy Term	21 years less entry age of child Minimum : 11 years; Maximum: 21 years
Premium Payment Term	17 years less entry age of child
Sum Assured	Min: ₹ 2,00,000, Max: No Limit
Premium	Based on Sum Assured
Premium Modal Factor	Yearly – 100% , Half yearly – 51% , Quarterly – 26% , Monthly – 8.8%

Illustration

Given below is an illustration of the benefits payable, for ₹5,00,000 Sum Assured, Premium ₹52,305, child's age 5 years and father's age 35 years. Policy Term is 16 years and Premium Payment Term is 12 years:

Age of Life Insured (yrs)	Child age (yrs)	Cumulated Annualized Premium (₹)	Edu Booster Payouts	Cumulated Edu Booster Payouts	Maturity Benefit (₹)		Death* Benefit (₹) (2 x Sum Assured)
					At lower rate	At higher rate	
45	15	5,23,050	75,000	75,000	75,000	75,000	10,00,000
47	17	6,27,660	1,00,000	1,75,000	1,75,000	1,75,000	10,00,000
49	19	6,27,660	1,50,000	3,25,000	3,25,000	3,25,000	10,00,000
51	21	6,27,660	3,00,000	6,25,000	7,25,000	10,75,000	10,00,000

*In addition to this the Edu Boosters and Bonuses will still be payable.

Please note:

The above illustration is an extract of a separate, more detailed benefit illustration. For full details, please refer to the Benefit Illustration. The lower rate and higher rate mentioned in the illustration are assumed at 6% and 10% respectively.

Terms and Conditions

1. **Edu Boosters:** Benefits paid at specific ages of the child to support/ boost the education of the child are termed as Edu Boosters. These will be paid at the policy anniversary after your child attains the specified age.
2. **Death Benefit:** Outstanding premiums for the year in which death occurs (applicable for non-annual premium paying policies) will be adjusted from the Sum Assured. If death occurs during Grace Period, the due unpaid installment premium will also be deducted from the Sum Assured.
3. **On death of the child (beneficiary) after the death of Life Insured and during the policy term, the following benefits shall be payable to the nominee / legal heir as the case may be:**
 - a. Policy continues till the end of the policy term
 - b. The Edu Boosters will be paid as scheduled
 - c. Accrued Reversionary Bonuses will be paid at maturity
 - d. Future reversionary bonuses(if any) and Terminal Bonus (if any) shall also be paid at maturity
 - e. The policy terminates after the proceeds are paid
4. **On death of the child (beneficiary) during the policy term before the death of the Life Insured:**
 - a. Policy continues for the original policy term
 - b. The policyholder may nominate another person as the new nominee to receive the death benefit
 - c. Future Premium payment obligation does not cease
 - d. The Edu Boosters will be paid as scheduled
 - e. Accrued Reversionary Bonuses (if any) will be paid at maturity
 - f. Future reversionary bonuses(if any) and Terminal Bonus (if any) shall also be paid at maturity
 - g. However, on death of the Life Insured the following shall be payable to the new nominee / legal heir as the case may be:
 - 200% of Sum Assured paid immediately
 - Future premium payment obligation ceases and policy continues as planned
 - The Edu Boosters will be paid as scheduled
 - Accrued Reversionary Bonuses (if any) will be paid at maturity
 - Future reversionary bonuses(if any) and Terminal Bonus (if any) shall also be paid at maturity
5. **Grace Period:** There is a grace period of 30 days from the due date for payment of premium for the yearly, half-yearly and quarterly mode, and 15 days for the monthly mode.
6. **Lapse:** Where the premiums for the first three policy years are not paid within the grace period, the policy together with the rider benefits, shall lapse from the due date of the unpaid premium and no benefits will be payable.
7. **Reduced Paid-Up Policy:** At the end of three policy years and if three annualized premiums have been paid, if the subsequent premiums are not paid in the grace period the policy will be converted into a paid-up policy by default.

The Reduced Paid-up Sum Assured will be calculated as:

$(\text{No. of years of premiums paid}) / (\text{No. of years of premiums payable, during the entire policy term}) \times \text{Sum Assured}$

The future Edu Booster payouts will be revised to the same percentage of the Reduced Paid-up Sum Assured.

In case policy becomes paid up after first five policy years and all premiums have been received, all the bonuses declared prior to the policy being Paid Up will remain as they were. For Policies that become Paid Up within the first five policy years, previously declared bonuses will not be applicable. After the policy is made Paid Up, future bonuses will not be payable.

8. **Policy Revival:** A Lapsed / Reduced Paid-Up policy can be revived within two years. The revival

can be done without proof of good health on payment of the outstanding premiums with handling charges (currently 9% p.a. of outstanding premiums), if the payment is made within six months. Thereafter to revive the policy, proof of good health would be required along with payment of the outstanding premiums with handling charges mentioned above. If lapsed policy is not revived during the revival period, the policy will be terminated without paying any benefits.

- 9. Surrender:** On completion of three policy years, the policy acquires a Guaranteed Surrender Value provided all due premiums have been paid on time. The Guaranteed Surrender Value will be 30% of all premiums paid to date, excluding the first year's premium and rider premiums, if any, less any benefits paid under the policy.

The Company may consider paying a Special Surrender Value after three full years' premiums have been paid which will not be less than the Guaranteed Surrender Value as stated above.

- 10. Policy Loans:** Provided the policy has acquired a Surrender Value, loans may be granted within the limit of 80% of the Special Surrender Value of the policy. The loan will be charged interest (currently at 12.5% p.a. payable half-yearly) and the company may revise the interest rate from time to time. The policy will be unconditionally and fully assigned to Kotak Life Insurance as security for the loan and interest repayments during the period of the loan.

Any benefit payable will be first used to set off any outstanding loan amount, together with all interest.

- 11. Free Look Period:** The policyholder is offered 15 days free look period, from the date of receipt of the policy wherein the policyholder may choose to return the policy if he/she is not agreeable with any of the terms and conditions of the plan. Should he choose to return the policy, he/she shall be entitled to refund of the premium paid after adjustment for expenses on medical examination, stamp duty and proportionate risk premium for the period of cover.

- 12. General Exclusion:** In the event of the Life insured committing suicide within one year of the date of issue of the policy, no benefit will be paid. In case of suicide within one year of the date of revival of the policy, Surrender Value as on date of claim event will be payable.

- 13. Accidental Disability:** This is defined as permanent and immediate inability to work or permanent loss of use of any two limbs or total and permanent loss of sight or injuries that permanently preclude following an appropriate occupation from the date of accident onwards.

Exclusions for waiver of Premium on accidental disability of Life Insured:

- a. Self inflicted injuries, attempted suicide, insanity, immorality, committing any breach of law or being under influence of drugs, liquor etc.
- b. When the life insured is engaged in aviation or aeronautics other than as a passenger on a licensed commercial aircraft operating on a scheduled route.
- c. Due to injuries from war (whether war is declared or not), invasion, hunting, mountaineering, motor racing of any kind, other dangerous hobbies or activities, or having been on duty in military, para-military, security or police organization.

- 14. Assignment:** As per Section 38 of the Insurance Act 1938, Assignment is allowed in this plan. Such assignment shall be operative as against the Company effective from the date the Company receives a written notice of the Assignment and on confirmation by the Company of record of such Assignment. Partial Assignment of policy is not allowed.

- 15. Nomination:** As per Section 39 of the Insurance Act 1938, Nomination is allowed in this plan, but given the objective of this plan, the Policyholder cannot change the nominee (the Child) except in the unfortunate event of death of the Child.

In case of death of the Child, the policyholder may nominate another person as the new nominee to receive the death benefit. In such a case, the policy term, premium payment term and the schedule for Edu Booster payouts will remain unchanged.

Fresh nomination (if applicable) shall be made by an endorsement on the policy and by communicating the same in writing to the Company.

Section 41 and 45

Section 41 of the Insurance Act, 1938:

(1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer:

Provided that acceptance by an insurance agent of commission in connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.

(2) Any person making default in complying with the provisions of this Section shall be punishable with fine which may extend to five hundred rupees.

Section 45 of the Insurance Act, 1938 States:

No policy of life insurance effected before the commencement of this Act shall after the expiry of two years from the date of commencement of this Act and no policy of life insurance effected after the coming into force of this Act shall, after the expiry of two years from the date on which it was effected be called in question by an insurer on the ground that statement made in the proposal for insurance or in any report of a medical officer, or referee, or friend of the insured, or in any other document leading to the issue of the policy, was inaccurate or false, unless the insurer shows that such statement was on a material matter or suppressed facts which it was material to disclose and that it was fraudulently made by the policy holder and that the policy holder knew at the time of making it that the statement was false or that it suppressed facts which it was material to disclose:

Provided that nothing in this section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal.

About Us

Kotak Mahindra Old Mutual Life Insurance Ltd.

<http://insurance.kotak.com>

Kotak Mahindra Old Mutual Life Insurance Ltd is a 74:26 joint venture between Kotak Mahindra Bank Ltd., its affiliates and Old Mutual plc. A Company that combines its international strengths and local advantages to offer its customers a wide range of innovative life insurance products, helping them take important financial decisions at every stage in life and stay financially independent.

The Kotak Mahindra Group

www.kotak.com

Kotak Mahindra is one of India's leading banking and financial services organizations, offering a wide range of financial services that encompass every sphere of life. From commercial banking, to stock broking, to mutual funds, to life insurance, to investment banking, the group caters to the diverse financial needs of individuals and corporate sector. The group has a net worth of over ₹ 79 billion and has a distribution network of branches, franchisees, representative offices and satellite offices across cities and towns in India, and offices in New York, London, San Francisco, Dubai, Mauritius and Singapore servicing around 7 million customer accounts.

Old Mutual plc

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Numbers as on 14th June 2010.



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Kotak Child Edu Plan UIN:107N072V01, Form No: N072,

Kotak Accidental Death Benefit UIN: 107C001V01, Form No. C001, Kotak Permanent Disability Benefit UIN: 107C002V01, Form No. C002, Kotak Term Benefit UIN: 107C003V02, Form No. C003, Kotak Preferred Term Benefit UIN: 107C013V01, Form No. C013. Ref. No.: KLI/11-12/E-PB/096.

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Insurance is the subject matter of the solicitation. This is a participating endowment plan. The product brochure gives only the salient features of the plan. Please refer the policy documents for specific details on all terms and conditions. For details on riders, please refer to the Rider Brochure.

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